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SUBJECT: KUWAIT AGAIN THE VOICE OF MODERATION IN OPEC

¶1. (U) For the third time in six weeks, Kuwait Energy Minister Shaykh Ali al-Jarrah has publicly called for restraint in OPEC pricing. His most recent remarks came on December 12, a day before his departure to the OPEC ministers meeting in Abuja. Al-Jarrah commented that OPEC countries were "satisfied" with the current price of oil but concerned about stocks. In contrast to comments from the Iranian Oil Minister and others, Al-Jarrah is quoted as saying he thought it was "early to decide about a cut. We must meet and exchange views with other members. We, as Kuwait, are more concerned to have a stable market where there are no price fluctuations."

¶2. (U) Al-Jarrah's latest comments are consistent with other statements he has made in the last six weeks. On November 28, Al-Jarrah said if oil prices hold near USD 61 per barrel, OPEC should not cut production again in December. "If prices maintain these levels, I don't imagine that there is a need for a reduction," Al-Jarrah reportedly told Reuters. He downplayed any suggestion that there was already a consensus within OPEC on the need for cuts at the December meeting. Similarly, on November 3, Al-Jarrah called current cuts "reasonable" and urged OPEC to give the market time to adjust to the cuts made at the OPEC meeting in Doha in October. He said the size of any additional cut depends on price levels and crude oil stockpiles.

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